

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
April 1, 2019

ATTENDANCE: Commissioners: Johnnie Mae Weldon, Chair; Debora Goldstein;
Pamela Parkington

STAFF: Kevin Barber, General Manager
Ron Scofield, Asst. General Manager/District Clerk

OTHERS: Peter Johnson, CMEEC Ratepayer Representative
Andrew Strauss, Norwalk Tree Alliance
Laoise King, City of Norwalk (arrived at 7:50 p.m.)

CALL TO ORDER

Commissioner Weldon called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

NORWALK TREE ALLIANCE DONATION REQUEST

Mr. Strauss informed the Commission that he was at the meeting to request a donation to the Norwalk Tree Alliance in the amount of \$2,500 to plant more trees throughout East Norwalk. He is proposing the same program as last year, where the Norwalk Tree Alliance and Third Taxing District conducted a tree lottery. Residents have the opportunity to sign up during the month of March to be entered into the lottery. Names are then drawn at random in mid-April. Last year there were a total of 12 trees planted throughout the District. All the trees were purchased and planted by Courville Nursery.

Mr. Strauss also provided the Commission with a report on last year's lottery, as well as the 2018 Annual Report of the Norwalk Tree Alliance for them to read at their leisure.

FINAL

**** COMMISSIONER GOLDSTEIN MOVED TO ACCEPT THE NORWALK TREE ALLIANCE DONATION REQUEST IN THE AMOUNT OF \$2,500 TO BE FUNDED OUT OF OTHER DISTRICT SERVICES IN THE DISTRICT BUDGET WHICH WILL BE AWARDED AFTER JULY 1, 2019.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

MINUTES OF MEETING

March 4, 2019

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF MARCH 4, 2019 REGULAR MEETING.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

March 20, 2019

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF MARCH 20, 2019 SPECIAL MEETING.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights page with the Commission. Under the \$ Change and % Change columns, TTD is behind year over year which is due to the changes in the PCA and the CMEEC billable rate. He also pointed out that TTD's Outstanding Principal Balance with CMEEC has gone up. The increase is due to the reallocation of Wallingford Electric's ownership in the Microgen project. CMEEC will be having the final vote on the Microgen project on April 5, 2019.

Mr. Barber reviewed the P&L for the Electric Company. There is nothing major to report. Overall for the month, TTD is 1% ahead of budget on Total Income. For the year, TTD is 4% ahead of the income budget. Cost of Goods Sold (Purchased Power), continues to be slightly over-budget for both the month and the year. Net Income for the current month is \$319,087 and \$724,174 for the year.

P&L for the District is on target. Mr. Barber pointed out that the majority of the expenses for the Annual Meeting will show up in the March report.

FINAL

KPI's – In line with what they have been. Actual Rate of Return on Rate Base is now within the Bandwidth.

PCA's – Mr. Barber told the Commission that last month the Rate Stabilization Rate balance that was forecasted for June 2021 was down around \$2.5 million. After receiving the most recent forecast information from CMEEC, it caused the forecast to adjust, which in turn adjusted the ending balance up \$300,000-400,000. He believes that over the next few months it can swing in either direction. The current forecast for June 2021 is \$2.9 million which is right on target.

LINE OF CREDIT RENEWAL

Mr. Barber reviewed the memo he wrote to the Commission about the Line of Credit with Patriot Bank. Last year's renewal was good up until December 31, 2018, which has now expired. Third Taxing District is now up for another renewal. Mr. Barber is requesting the Commission's approval to renew the line of credit with a new expiration date of January 1, 2020. The current interest rate is 5.5% but is subject to change. The interest rate is based off of the Wall Street Journal Prime Rate plus 0%. TTD does not expect to use the line of credit but would like to keep it open just in case something should occur.

**** COMMISSIONER GOLDSTEIN MOVED TO AUTHORIZE KEVIN BARBER, GENERAL MANAGER OF THE THIRD TAXING DISTRICT TO RENEW FOR AND ON BEHALF OF THE THIRD TAXING DISTRICT THE LINE OF CREDIT WITH PATRIOT BANK IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000) ON THE TERMS SET OUT IN THE LOAN DOCUMENTS PREPARED BY PATRIOT BANK AND INCLUDED IN THE MINUTES OF THIS MEETING AND FURTHER REQUIRE KEVIN BARBER, BEFORE ACCESSING ANY FUNDS FROM THE LINE OF CREDIT, MUST RECEIVE AUTHORIZATION FROM THE DISTRICT COMMISSION AT A DULY CONVENED COMMISSION MEETING.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ENGAGEMENT LETTER – FYE 6/30/19 AUDIT

Mr. Barber reviewed the Engagement Letter received from Hope & Hernandez for the financial audit for FYE June 30, 2019. The fee for this year will be \$21,900, which is the same as last year's audit.

Commissioner Parkington asked if there was a policy indicating that Third Taxing District needs to change auditors every five years. Mr. Barber replied that there is no such policy.

Commissioner Parkington asked how long Hope & Hernandez has been conducting the audit.

Mr. Scofield said it was approximately eight years. He said that Third Taxing District did go out to bid one year and Hope & Hernandez was the lowest bid and the Commission voted to retain them.

Third Taxing District
of the City of Norwalk
April 1, 2019

FINAL

The Commission would like staff to look into putting the audit out for bid for FYE 6/30/2020.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE KEVIN BARBER, GENERAL MANAGER TO ENGAGE HOPE & HERNANDEZ TO PERFORM THE AUDIT FOR THIRD TAXING DISTRICT FOR FYE JUNE 30, 2019 FOR A COST NOT TO EXCEED \$21,900.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION OF TREASURER POSITION

Commissioner Goldstein stated that Treasurer's position has been opened since they appointed Johnnie Mae Weldon to the Commission in January 2019. The position has been advertised through many venues and only one candidate responded with interest in the position.

Mr. Ed Holowinko is the only candidate that submitted a letter of interest to the District Clerk. Mr. Holowinko has lived in East Norwalk for the past 19 years and is very active in the community. He has served on the Conservation Committee for many years, as well as being involved in other volunteer activities.

**** COMMISSIONER GOLDSTEIN MOVED TO APPOINT ED HOLOWINKO TO THE VACANT TREASURER SEAT TO SERVE FOR THE REMAINDER OF THE CURRENT TERM THROUGH ELECTION DAY 2019.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Scofield will reach out to Mr. Holowinko to let him know of his appointment and inform him of his duties, as well as getting in touch with the Town Clerk, Richard McQuaid, to have Mr. Holowinko sworn in prior to the next Commission meeting to be held on April 15, 2019.

CMEEC UPDATE

On March 29, 2019, the Joint Energy and Technology Committee of the Connecticut General Assembly voted out of committee Proposed Substitute Bill 961. This proposed bill has been revised since the original proposed legislation that was brought before the Commission at the February 11, 2019 Commission meeting.

FINAL

The bill was 17 pages in length with many items that were problematic, including removal of the CMEEC projects. What came out of the E&T Committee after a day of testifying was about six pages long. Some of the problem items still remain. The most critical problem, which was the removal of the projects, was eliminated.

Another item that was removed from the bill is legislation that reaches through CMEEC to the municipalities where the municipalities were going to be required to post their budgets within two days and make available all agreements and contracts to the public.

The next meeting of the Legislative Committee will be April 11, 2019 in order to prepare the last pass at communications to make sure they try to nail it down so nothing goes wrong at the last minute.

Commissioner Goldstein reported on the Special Committee that she has been Chairing. As of March 25, 2019, the Special Committee, which was overseeing the independent investigation, received an 800+ page report with multiple appendices of information. The Committee reviewed it, made some small recommendations, but basically it remained the same. Based on the report, the Special Committee issued its own report recommending that CMEEC initiate the termination process because the investigator had concluded there was enough information there to terminate Mr. Rankin for cause. The Committee had also gone through other documents and was still uncovering new things about what was taking place in the past. The Committee also put together a list of about 20-25 findings and recommendations relative to CMEEC's governance, policies, expense approvals, etc. and recommended those to the Board as well.

On Thursday, March 28, 2019, the CMEEC Board received the report under Executive Session, consulted with an employment attorney, as well as the attorney who had conducted the special investigation, and the Board accepted the recommendations of the Special Committee and voted to begin the termination proceedings with respect to Mr. Rankin, which should help with the legislators.

It has been recommended that next year that the four Directors who had participated in the Derby trip not be permitted to be officers. CMEEC is going to schedule a special meeting to have the formal Loudermill Hearing, which is a meeting in which the employee can defend himself against the charges. Once complete, there is deliberation and action is then taken.

GENERAL MANAGER'S REPORT

Mr. Barber had nothing to report.

FINAL

PROJECT SUMMARY

Rowan Street Facility – The construction company, Diversity Construction, has started excavating the property. Meetings are being held every 1-2 weeks between staff and Diversity Construction.

Mr. Barber indicated that he was not sure whether or not the building materials would be out of the way for the ENNA Shredding Event that is planned for Saturday, April 27, 2019.

Dooney & Bourke – Commissioner Parkington asked if they had received their rebate for the recent lighting retrofit. Mr. Barber replied, yes.

EXECUTIVE SESSION

- Real Estate – 215 East Avenue

**** COMMISSIONER GOLDSTEIN MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS REAL ESTATE – 215 EAST AVENUE.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Messrs. Barber and Scofield, and Laoise King entered into Executive Session at 7:52 p.m.

The Commissioners, Messrs. Barber and Scofield, and Laoise King returned to public session at 8:39 p.m.

DISCUSSION ON EAST AVENUE DESIGN PROJECT REQUEST FROM THE CITY OF NORWALK

The Commission discussed how they would like to handle the request from the City of Norwalk. They were in favor of adopting a Resolution, but wanted to be sure that the Resolution included verbiage that would protect Third Taxing District. The Resolution would not include a decision on 215 East Avenue.

Commissioner Goldstein is concerned that the City will turn over a 90% design in early May and with the linkage to the Walk Bridge Project, Third Taxing District will be informed that the design cannot be changed again.

Commissioner Parkington would like to give Ms. Barber the ability to speak with the City, but have caveats in place.

FINAL

**** COMMISSIONER GOLDSTEIN MOVED TO AUTHORIZE GENERAL MANAGER KEVIN BARBER, GENERAL LINE FOREMAN MIKE ADAMS, AND ASSISTANT GENERAL MANAGER/DISTRICT CLERK, RON SCOFIELD TO ENGAGE IN DESIGN DISCUSSIONS WITH THE CITY OF NORWALK IN CONNECTION WITH THE PLANS FOR THE EAST AVENUE DESIGN PROJECT TO INCLUDE DISTRICT PARTICIPATION AND POSSIBLE UNDERGROUNDING AND THE DISTRICT ASSET AT 213-215 EAST AVENUE WITH THE UNDERSTANDING THAT A 90% DESIGN SUBMISSION BE CONTINGENT UPON A VOTE OF THE COMMISSION AND RECEIPT OF AN OPINION BY DISTRICT COUNSEL.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

**** COMMISSIONER PARKINGTON MOVED TO ADJOURN.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:09 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District